

St Luke's Oxford
(A company limited by guarantee)

Report and Accounts

31 March 2009

Company number
1989868

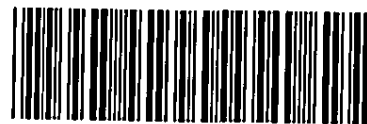
Charity registration number
293522



Nick Westbury & Co Limited

Business Advisers • Chartered Certified Accountants • Registered Auditors

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St Luke's Oxford

Report of the Council

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of Council.

The members of Council present their annual report and accounts for the year ended 31 March 2009 in compliance with the current statutory requirements and the company's Memorandum and Articles of Association.

Objects, activities and strategy

The relief and care of elderly, sick, disabled and poor people including the care of the terminally ill, within the pastoral framework of a Christian foundation. The Council's strategy is to maintain and improve the quality of life for those older persons requiring long term nursing care. In furtherance of its objectives the charity operates a 48 bed hospital in Headington, Oxford which provides care for both long stay and short stay patients. The success of the charity is measured by the number of persons wishing to become patients and from the feedback gained from current and past patients. The results for the year are set out on page 8.

Activities undertaken by the charity for the public benefit

Council considers that it has complied with Section 4 of The Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission.

Council has a policy of subsidising up to 4 patients, who would not otherwise be able to afford to come to St Luke's (or if already resident would not be able to remain at St Luke's). A subsidy is only available to those patients who meet the funding rules set by Social Services and are already in receipt of such funding. The total costs of such subsidies in the year ended 31 March 2009 was £21,454 (2008:£37,596)

In addition the public benefit from the use of our chapel services or the use of our gardens which are registered with the "Quiet Gardens Trust" as being open to the general public.

Results and achievement of objectives

Council's objective this year was to maintain or exceed previously obtained standards and occupancy rates whilst returning a surplus.

The surplus for the year amounted to £145,313 (2008: £296,295). The average occupancy level for the year was 81.46% (2008: 86.16%). The surplus achieved will be reinvested in the charity to continue the provision of high quality patient services and the upgrading of the fabric of the buildings.

St Luke's Oxford

Report of the Council

Governance and internal control

A panel comprising existing Council members selects members of the Council. Appointment is subject to the approval of Council. Appointees are interviewed by the Chairman and one other Council member and provided with full information about the charity before being invited to join the Council. Council members serve for a three year period and may be re-elected. The Council meets four times a year. The Finance Committee is made up of Council members and usually meets monthly. The Committee operates under specific terms of reference, under which certain functions are delegated from the Council. The Committee has its decisions ratified by the full board. The Council delegates the day to day running of St Luke's to the Executive Management Team who operate under the direction of the General Manager within the framework of the Annual Budget. The Council approve the Annual Budget which embodies the strategy for each year. Operational decisions are then made by the Executive Management Team except where expenditure in excess of £10,000 is involved, which requires the approval of Council.

The Council members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. These systems should provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity, or for publication, is reliable; and
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a five year plan and annual budget approved by the Council;
- regular consideration by the Council of financial results, variance from budgets;
- delegation of authority and segregation of duties; and
- appropriate training and development of staff.

Care standards Act 2000

The Council and Executive Management Team have taken steps to ensure that the organisation complies with applicable requirements of the Care Standards Act 2000. The regulating authority is the Care Quality Commission (CQC) which replaced the Commission for Social Care Inspection (CSCI) on 1 April 2009.

Reserves Policy

Council's current policy is to build reserves to provide for the long term future of the hospital. At 31 March 2009 unrestricted reserves amounted to £5,067,850. However of this amount £3,316,820 is represented by fixed assets. The charity, after taking account of designated reserves, has free reserves at 31 March 2009 of £1,651,030. This compares to annual expenditure of £1,825,886 which includes annual salary costs of £1,186,038.

Council wishes to continue to build reserves with a target of cash reserves equivalent to 12 months operating costs. In addition funds will be designated to allow major refurbishment of the hospital as required. £100,000 has been designated for major refurbishments and alterations which are expected to take place during the year ended 31 March 2010.

Investments Policy

Council's current policy is to retain all cash as cash and not to invest in other forms of equity for the foreseeable future. At 31 March 2009 surplus cash was held on deposit with Lloyds Banking Group plc on a fixed term basis.

St Luke's Oxford Report of the Council

Fixed assets

The freehold land and buildings were valued on 19 September 2007 at £3.4M by Nigel Fransham FRICS FCIArb of Savills Commercial Limited, Chartered Surveyors. Adjustments were made to the accounts for the year ended 31 March 2008 to reflect this valuation.

Council consider that there has been no significant change in the value of the freehold land and buildings since September 2007.

The estimated useful life of the freehold buildings has been assessed at 19 years. Council has decided to write off the value of the freehold premises over 19 years from 1 April 2008. Council's previous policy was to write off the value of the freehold premises over 50 years from 1 April 1999.

Risk Statement

Council has considered the major risks, which may affect the organisation, and has taken steps as far as possible to mitigate those risks, and will continue to monitor major risks on an ongoing basis.

Charity registration number

293522

Company registration number

1989868

Members of the Council in the year (the trustees and directors)

Mrs S B S Homersham	(Resigned 29/09/2008)
Lady Quinlan	
Professor Sir J Grimley Evans	
Mr P H Bagnall *	Chairman
Mrs C C Williams	
Mr N Talbot Rice	
Mr G M Wareing	
Mr R J S Hawes	
Mr S J Dare*	
Mr C K Cash*	(Appointed 29/09/2008)
Mr P A McLean	(Appointed 29/09/2008)

**member of the Finance Committee*

Non - executive officers

Sir Ashley Ponsonby	President
Earl of Donoughmore	Vice President
Mrs S B S Homersham	Vice President
Sir Hugo Brunner	Vice President
Sir Mark Norman	Vice President
Lady McLintock	Vice President

Executive management team

Miss C H Grogan	General Manager and Chief Executive Officer
Mrs Z Mason	Matron
Mr A J Barnes	Finance Manager and Company Secretary

St Luke's Oxford

Report of the Council

Registered Office and operational address

4 Latimer Road
Headington
Oxford
OX3 7PF

Principal Bankers

Lloyds Banking Group plc
PO Box 8
1-5 High Street
Oxford
OX1 4AA

Company Status

The company is limited by guarantee and has no shares. It is registered as a charity

Council members responsibilities

Council members are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that period. In preparing those accounts, the council members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council confirm that the accounts comply with statutory requirements, the governing document and the requirements of the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005)

Disclosure of information to auditors

So far as each council member at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- council members have taken all the steps necessary that they ought to have taken as council members in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

St Luke's Oxford
Report of the Council

Auditors

Nick Westbury & Co. Limited
The Old Engine Shed Whetton's Yard
Chapel Street
Bloxham
Banbury
Oxon OX15 4NB

Nick Westbury & Co. Limited offer themselves for re-appointment as auditors in accordance with section 384(1) of The Companies Act 1985.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005)

This report was approved by the council on 29 June 2009.

P H Bagnall
Council member

A handwritten signature in black ink, appearing to read 'P H Bagnall', is written over the printed name and title.

St Luke's Oxford

Independent auditors' report to the members of St Luke's Oxford

We have audited the accounts of St Luke's Oxford for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to Council, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might report to you those matters you have required us to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and Council as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Report of Council the company's directors (Council members) are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards. (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of Council is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of Council and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

In accordance with the exemption provided by APB Ethical Standard - Provisions Available for Smaller Entities, we have assisted with the preparation of the accounts


St Luke's Oxford

Independent auditors' report to the members of St Luke's Oxford

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of Council is consistent with the accounts.


Nick Westbury & Co. Limited
Registered auditors

The Old Engine Shed Whetton's Yard
Chapel Street
Bloxford
Banbury
Oxon OX15 4NB

29 June 2009

St Luke's Oxford**Statement of Financial Activities (including the Income and Expenditure account)
for the year ended 31 March 2009**

	Notes	Unrestricted 2009 £	2008 £
Incoming resources			
Incoming resources from generated funds			
Voluntary income - donations		3,080	3,912
Investment income - interest receivable		66,255	72,221
Incoming resources from charitable activities - patient fees		1,900,015	1,986,439
Other incoming resources		1,849	2,413
<i>Total incoming resources</i>		<u>1,971,199</u>	<u>2,064,985</u>
Resources expended			
Charitable activities			
Patient services and facilities	3	1,550,064	1,507,382
Managing and administering the charity	4	272,322	257,888
Governance costs		3,500	3,420
<i>Total resources expended</i>		<u>1,825,886</u>	<u>1,768,690</u>
Net incoming resources before other recognised gains		145,313	296,295
Other recognised gains - gain on revaluation of fixed assets		-	1,375,000
Net movement in the charity's funds in the year		<u>145,313</u>	<u>1,671,295</u>
Total funds brought forward		4,922,537	3,251,242
Total funds carried forward		<u>5,067,850</u>	<u>4,922,537</u>

Continuing operations

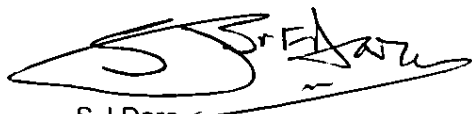
None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the surplus for the above two financial years.

**St Luke's Oxford
Balance Sheet
as at 31 March 2009**

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	7	3,316,820	3,405,511
Current assets			
Stocks	8	3,200	3,200
Debtors	9	61,618	58,561
Cash at bank and in hand		1,825,450	1,579,396
		<u>1,890,268</u>	<u>1,641,157</u>
Liabilities			
Creditors: amounts falling due within one year	10	(139,238)	(124,131)
Net current assets		<u>1,751,030</u>	<u>1,517,026</u>
Net assets		<u>5,067,850</u>	<u>4,922,537</u>
Funds of the charity			
Unrestricted income funds		5,067,850	4,922,537
Total charity funds	11	<u>5,067,850</u>	<u>4,922,537</u>



S J Dare
Council member
Approved by Council on 29 June 2009

St Luke's Oxford
Cash Flow Statement
for the year ended 31 March 2009

	Notes	2009 £	2008 £
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net incoming resources (net income for the year)		145,313	296,295
Interest receivable		(66,255)	(72,221)
Depreciation charges		88,691	42,692
(Increase)/decrease in debtors		(3,057)	12,921
Increase in creditors		15,107	8,279
Net cash inflow from operating activities		<u>179,799</u>	<u>287,966</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		179,799	287,966
Returns on investments and servicing of finance	12	66,255	72,221
		<u>246,054</u>	<u>360,187</u>
Increase in cash		<u>246,054</u>	<u>360,187</u>

Reconciliation of net cash flow to movement in net debt

Increase in cash in the period		246,054	360,187
Change in net debt	13	<u>246,054</u>	<u>360,187</u>
Net funds at 1 April		<u>1,579,396</u>	<u>1,219,209</u>
Net funds at 31 March		<u>1,825,450</u>	<u>1,579,396</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2009

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and in compliance with applicable accounting standards and the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005)

Presentation

In order to present a true and fair view, the company has not followed the strict provisions for the Companies Act 1985 regarding the format of the Statement of financial activities, and has substituted more meaningful headings in place of those prescribed.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 19 years
Mechanical and electrical equipment	over 2 to 3 years
Furniture and fittings	over 2 years
Medical equipment	over 3 to 4 years
X-ray equipment	over 5 to 10 years
Computer equipment	over 2 years
Leased assets	over the lease term

The Council has obtained a valuation of the freehold property on a going concern basis as at 19 September 2007 of £3.4M. The Council decided in the year ended 31 March 2008 to adjust the accounts to reflect the valuation and the Council believe that the value of the property has not changed significantly since the valuation was obtained.

The Council believes that the freehold property had a remaining useful economic life of 19 years from 1 April 2008 and depreciation is charged accordingly on a straight line basis.

Freehold property includes £1.8M of land which is not depreciated.

Irrecoverable VAT

Any irrecoverable VAT is included as a part of the resource expended.

Stocks

Stock is valued at the lower of cost and net realisable value.

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2009

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Funds

Unrestricted funds

These funds are available for use at the discretion of Council in furtherance of the objectives of the charity.

Designated funds

From time to time where significant items of expenditure are identified as a part of Council strategy, unrestricted funds are designated to ensure that those items are appropriately funded.

2 Incoming resources

Voluntary income

This represents donations received by the charity.

Investment income

This represents investment income which is included on an accruals basis.

Incoming resources from charitable activities

This represents fee income from patients together with rental income from consultants using the premises as offices and consulting rooms.

3 Patient services and facilities

	2009	2008
	£	£
Nursing services	876,774	885,427
Medical supplies	20,558	28,682
Non clinical services including catering and domestic	322,975	329,648
Premises and plant	329,757	263,625
	<u>1,550,064</u>	<u>1,507,382</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2009

4 Managing and administrating the charity	2009	2008
	£	£
Salaries and office costs	180,431	177,659
Finance costs - other	1,328	1,343
Insurance	20,061	19,473
Miscellaneous	70,502	59,413
	<u>272,322</u>	<u>257,888</u>

5 Total resources expended	Staff costs	Depreciation	Other costs	Total
	£	£	£	£
Patient services and facilities	1,005,607	88,691	455,766	1,550,064
Managing and administrating the charity	180,431	-	91,891	272,322
Governance costs	-	-	3,500	3,500
	<u>1,186,038</u>	<u>88,691</u>	<u>551,157</u>	<u>1,825,886</u>

	2009	2008
	£	£
Specific costs include:		
Auditors' remuneration	3,500	3,420
Depreciation	88,691	42,692
	<u>92,191</u>	<u>46,112</u>

6 Staff costs	2009	2008
	£	£
Wages and salaries	1,058,992	1,067,166
Employer's National Insurance	90,896	92,787
Pension contributions	36,150	30,978
	<u>1,186,038</u>	<u>1,190,931</u>

One employee earned £76,900 during the year, £16,900 of which were pension contributions to a defined contribution (personal) pension scheme.

Average number of employees during the year	Number	Number
Patient services and facilities	66	63
Managing and administrating the charity	5	5
	<u>71</u>	<u>68</u>

No members of Council received any remuneration or reimbursement of expenses during the year.

No members of Council or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2008 - Nil).

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2009

7 Tangible fixed assets

	Freehold land and buildings £	Mechanical and electrical equipment £	Other assets £	Total £
Cost				
At 1 April 2008	3,400,000	330,684	464,448	4,195,132
At 31 March 2009	3,400,000	330,684	464,448	4,195,132
Depreciation				
At 1 April 2008	-	325,174	464,447	789,621
Charge for the year	84,000	4,691	-	88,691
At 31 March 2009	84,000	329,865	464,447	878,312
Net book value				
At 31 March 2009	3,316,000	819	1	3,316,820
At 31 March 2008	3,400,000	5,510	1	3,405,511
Freehold land at valuation included above not depreciated				1,800,000

Freehold land and buildings:	2009	2008
	£	£
Historical cost	2,070,897	2,070,897
Cumulative depreciation based on historical cost	-	-

The Freehold land and buildings were revalued by Nigel Fransham FRICS FCI Arb of Savills Commercial Limited, Chartered Surveyors on 19 September 2007 at £3.4M. The valuation was an independent external valuation based on vacant possession.

8 Stocks

	2009	2008
	£	£
Food	1,200	1,200
Medical, maintenance, crockery and domestic	2,000	2,000
	3,200	3,200

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2009

9 Debtors	2009	2008
	£	£
Trade debtors	37,931	47,108
Other debtors	2,568	8,038
Prepayments and accrued income	21,119	3,415
	<u>61,618</u>	<u>58,561</u>

10 Creditors: amounts falling due within one year	2009	2008
	£	£
Trade creditors	60,225	27,527
Other taxes and social security costs	21,368	29,616
Other creditors	3,362	3,402
Accruals and deferred income	54,283	63,586
	<u>139,238</u>	<u>124,131</u>

11 Unrestricted funds	Unrestricted	Designated
	£	£
At 1 April 2008	4,817,537	105,000
Incoming resources	1,971,199	-
Resources expended	(1,720,886)	(105,000)
Other recognised gains	-	-
Funds designated in the year	(100,000)	100,000
At 31 March 2009	<u>4,967,850</u>	<u>100,000</u>

During the year, £100,000 (2008: £105,000) of funds were designated by Council to provide for the major refurbishment and alteration works which are expected to take place during the year ended 31 March 2010.

12 Gross cash flows	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest received	<u>66,255</u>	<u>72,221</u>

13 Analysis of changes in net debt	At 1 Apr 2008	Cash flows	Non-cash changes	At 31 Mar 2009
	£	£	£	£
Cash at bank and in hand	1,579,396	246,054	-	1,825,450
	<u>1,579,396</u>	<u>246,054</u>	<u>-</u>	<u>1,825,450</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2009

14 Taxation

The company is a registered charity in accordance with section 505 of the Income and Corporation Taxes Act 1988, as such it is not liable to pay corporation tax on any surplus applied for charitable purposes.